

August 26, 2005

Ms. Karen Rhinehart
Office of State Budget
1201 Main Street - Suite 950
Columbia, SC 29201



Re: Letter of Transmittal, 2006-2007 State Budget Request

Dear Mrs. Rhinehart:

It is a pleasure to submit the 2006-2007 State Budget Request for the Governor's School for Science & Mathematics (GSSM). Due to the accelerated submission deadline, our Board of Trustees has not completed final review and approval of this request. If necessary, I shall forward any changes directed by the Board after their September meeting.

We have three overall goals that underscore this budget request:

- 1) Maintain the excellence that is the hallmark of each GSSM program
- 2) Use funds efficiently and effectively.
- 3) Complete GSSM's new campus: Fund Phase II construction & outfitting through Bond Bill

Following years of planning, investment and construction, we successfully moved into Phase One of our new campus in August 2003. However, the need to complete the campus by building Phase II is immediate and critical. Without the complete campus our academics and residence quality is greatly diminished. In addition, without Phase II, we cannot fulfill the commitment to expand our challenging and result-oriented programs to more deserving students and teachers across South Carolina.

For 2006-2007, our efforts continue to focus on quality and expanding opportunities and achievement for South Carolina Students. To accomplish this, our budget priorities are:

1) Complete GSSM's Unfinished Campus: One-time (Bond) Capital: Capital Total: \$ 15,778,693

- a) Build Academic and Student Activity wings. Funding delays increase costs due to (\$13,178,693)
inflation in construction and raw material prices (i.e., \$1.05M in 2003-04,
\$1.18M in 04-05, now add 12.5% or \$1.46M through 05-06)
- b) Furniture, Fixture, Equipment & Technology outfitting (\$ 2,600,000)

Funding to complete GSSM's Master Campus plan is our #1 priority. Completing the facilities is necessary both for current programs and before scheduled growth can occur. Phase II construction provides specialized laboratories, classrooms and an activity center serving as an auditorium and providing space for athletics and clubs for students in residence. In addition, Furniture, Fixtures, Equipment and Technology funds are needed to fully utilize the new campus and expand programs. Delays continue to inflate costs, restrict student opportunities and harm existing programs.

2) Programmatic/Operating Support: Operating Total: \$ 295,681

- a) Provide Bridge Program for low SES students, Middle School Teacher Training, (\$ 166,000)
Robotics & Music/Art
- b) Expand statewide admissions support & growth planning (campus, purchasing & infrastructure) (\$ 68,000)
- c) Offset heating & cooling energy cost increases and other operating cost inflation. (\$ 61,681)

I will be happy to present this information at any time and please call if you have any questions.

Sincerely,

Murray W. Brockman
President

Governor's School for Science & Mathematics



State Budget Request for Year 2006-2007

Increase Statewide Academic Achievement – Complete the Campus

FISCAL YEAR 2006-2007 BUDGET PLAN

I. EXECUTIVE SUMMARY: Governor's School for Science & Mathematics

A. Agency Section/Code/Name: H63-SDE, GSSM, Program XII, Governor's School for Science & Mathematics

B. Statewide Mission:

Mission and Values Statement

South Carolina Governor's School for Science & Mathematics

The purpose of the South Carolina Governor's School for Science and Mathematics (GSSM) is to offer the most academically able students of this state a learning environment that strengthens their ability to think critically, stimulates the joy of learning, and fosters the excitement of discovery through scientific research.

GSSM broadens the horizons of the mind, expands intellectual and personal growth, and cultivates the uniqueness of each student. The School builds a strong sense of community among students, faculty and staff in a residential setting.

Emphasizing science, mathematics, and technology, the Governor's School for Science and Mathematics is an educational resource, which serves the entire state of South Carolina as a model for academic excellence through a diverse range of outreach programs and partnerships.

C. Key Strategic Goals for Present and Future Years

This budget request directly supports and completes the goals of GSSM's new and expanded campus – opened in August 2003. It provides for the following:

- 1) Maintain the excellence that is the hallmark of each GSSM program
- 2) Use funds efficiently and effectively
- 3) Complete GSSM's new campus: Fund Phase II construction & outfitting through Bond Bill

Strategic Goals

1. Continue and strengthen residential and outreach programs, enhancing excellence and meeting opportunities statewide
2. Occupy Phase One of GSSM's New Campus in August 2003 - Accomplished.
 - a. Obtain funds to outfit and occupy New Campus - Accomplished
 - b. Finalize Phase 2 Funding - Pending Bond Bill Approval - Ongoing
 - c. Finalize Furniture, Fixtures & Equipment requirements and support appropriations request - Accomplished for Phase I
3. Double the size of the student body and faculty while maintaining or improving quality and minority enrollment - Underway
 - a. Visit school districts – present the opportunity, hear feedback
 - b. Analyze alternatives – AP, IB, private schools, other. How are we unique?
 - c. Evaluate 10th grade admission
 - d. Use the expansion opportunity to review and upgrade curriculum
 - e. Define enhanced math/computer science & technology offering(s)
4. Spearhead efforts toward leadership in South Carolina science and math education via our outreach programs - Underway
 - a. Uncover grant opportunities – especially in teacher training – Obtained five-year Federal GearUP Grant through CHE partnership starting in 2005-2006.
 - b. Expand summer research coordination with higher ed partners: 2005 saw addition of College of Charleston & MUSC
5. Enhance the profile of GSSM across the state - Underway
 - a. Establish role in SC state initiatives to improve science and math education
 - b. Establish role of parents in the school vision
 - c. Create targeted communications plan for internal and professional implementation - underway
6. Continue to focus on the development of high character and exceptional skills in our students – Accomplished/Ongoing
 - a. Evaluate honor codes at other schools
 - b. Review handbook and emphasize principles

Malcolm Baldrige Citations in GSSM Accountability Report: Section II & III, inclusive, Categories 1 – 7

D. Summary of Operating Budget Priorities for FY 2006-07:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 1	Title: Bridge Program for low SES students, Middle School Teacher Training, Robotics & Music/Art	0	\$166,000	\$70,000	\$30,000	\$266,000	2	0	0	2.00
Strategic Goal No. Referenced in Item C: <u>Improve Quality: #1, #3 & #5</u>										
Priority No.: 2	Title: Enhance Statewide Admissions support, growth planning (curriculum, recruiting, campus)	See Capital Bond Request: Complete the Campus	\$68,000	0	\$96,000	\$164,000	1	0	0	1.00
Strategic Goal No. Referenced in Item C: <u>Expand Academic Achievement Statewide: #2, #3, #4, #5</u>										
Priority No.: 3	Offset heating & cooling energy cost increases and other operating cost inflation - Fuel Costs	0	\$61,681	0	\$ 5,120	\$66,801	0	0	0	0.00
Strategic Goal No. Referenced in Item C: <u>Maintain Quality: #1, #2 & #3</u>										
TOTAL OF ALL PRIORITIES		\$ 0	\$295,681	\$70,000	131,120	\$496,801	3.00	0.00	0.00	3.00

E.	Agency Recurring Base Appropriation:	Current FY 2005-2006	Projected/Requested FY 2006-2007
	State	\$ 3,455,494 *	\$ 3,751,175 **
	Federal	\$	\$ 70,000***
	Other	\$ 746,500*	\$ 877,620****

*Per Activity Inventory Loads. ** \$150,000 is assigned annually to repay 7-year Master Lease to Outfit Phase I of new Campus.

Federal GearUP Grant *Estimate on Anticipated Grant/Foundation Funds

F. Efficiency Measures: (See Section II of Accountability Report): GSSM continues “Excellent” ratings in all categories on state school report card, even while addressing extreme reductions in state funding over a three-year period. We have realigned our strategic priorities for statewide outreach to include Professional Development for Teachers (obtaining a GearUP Federal Grant in conjunction with CHE) and built, occupied and operate Phase I of our Master Campus plan with no additional base operating increases compared to previous leased facilities. Phase II of GSSM’s campus is still unfunded (see Capital Request for 2006-2007,) so we are operating in temporary teaching spaces and continue to lease required chemistry laboratories and student activity spaces. Through our new campus, GSSM has saved substantial operating funds compared to previous leased space, which required annual contractual HEPI increases. .

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:1	Project Name: Activity Number & Name: Complete the Campus: GSSM New Campus: Phase II -Science Academic Center (labs & classrooms) -Student Activity Center (Gymnasium/Presentation and Assembly Space) (Activity #'s 813, 814 & 815)	Project No*: GSSM Campus Hartsville 9502-AC	\$13,178,693	20,199,000	0	\$33,377,693
	Furniture, Fixture, Equipment & Technology	9502-AC	\$2,600,000			\$ 2,600,000
Total of All Capital Budget Priorities:			\$15,778,693	\$20,199,000	\$ 0	\$35,977,693

* If applicable

H. Number of Proviso Changes: None

I. Signature/Agency Contacts/Telephone Numbers:

Dr. Murray Brockman, President Date

Mr. Ernie Boyd, VP Finance/Operations Date
401 Railroad Ave. Hartsville, SC 29550

GSSM's Growth Plans and Construction Update



GSSM's Master Campus Vision: Provide acclaimed GSSM academic opportunities and results to thousands of additional South Carolina students and teachers: supported by state-of-the-art facilities designed specifically to enhance these unique learning programs. At full expansion, facilities and programs will host up to 300 residential students per year and thousands more through GSSM outreach initiatives.

Funding delays required GSSM to split the campus into two distinct pieces: Phase I and Phase II. Phase I has been successfully built and occupied. However, until Phase II is completed, current programs are hampered and GSSM cannot expand our programs for students and teachers.

GSSM is ready to move ahead with completion of the campus as soon as funding is available.

Phase I (left) opened in 2003 and includes dormitory space for up to 300 residential students, dining facilities, office space for teachers and support staff, counseling areas, and temporary and limited classroom/lab space. The complete master campus (shown in rendering on next page) includes both Phase I and Phase II. Phase II, postponed due to funding delays, includes laboratories, classrooms and activity spaces.

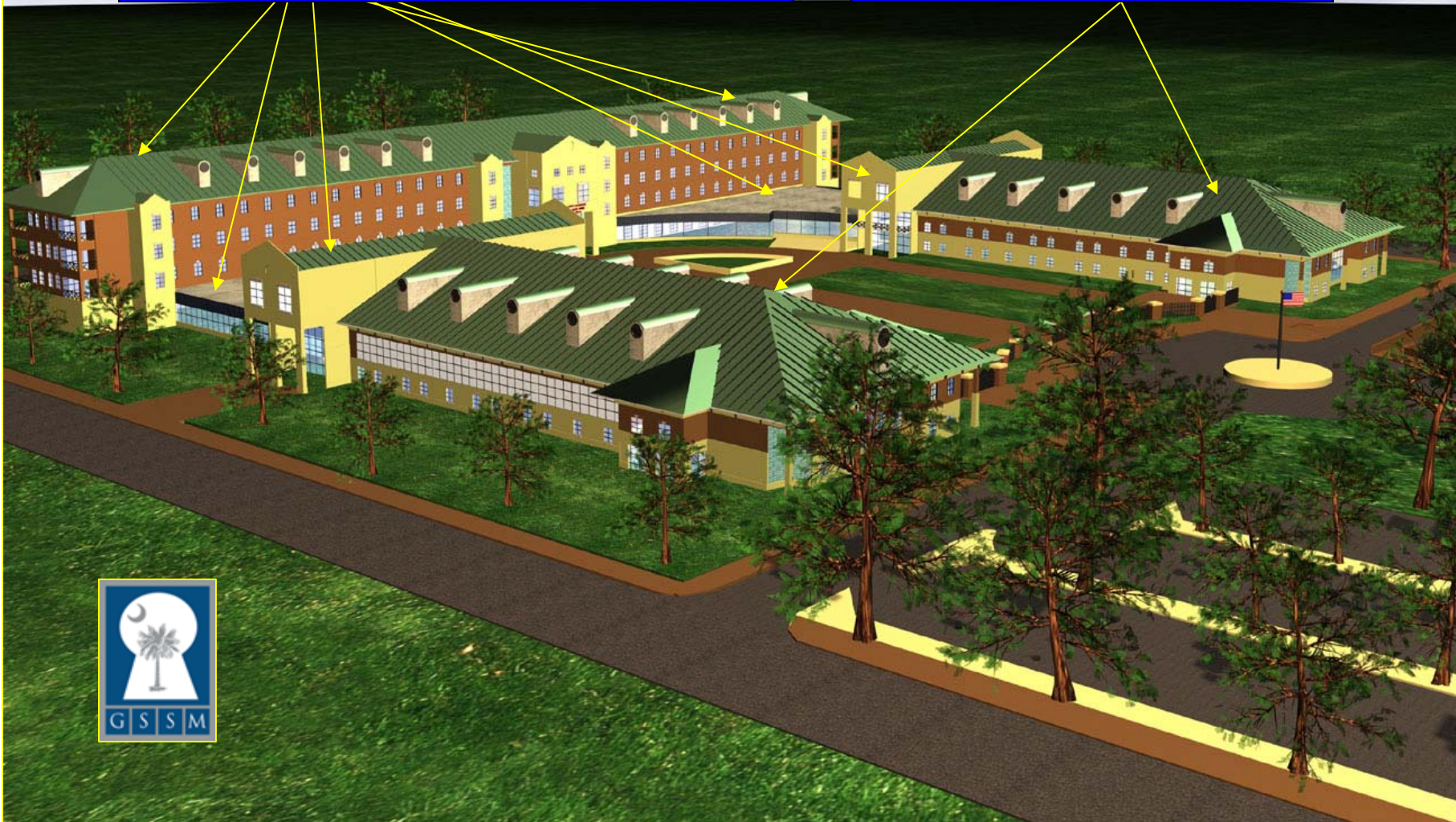
South Carolina Governor's School for Science & Mathematics: Master Campus Plan

Phase I: Opened in August 2003

- Residential Space for up to 300 Students
- Dining Facilities
- Counseling, Arts, Student Support Facilities
- Faculty and Support Staff Offices

Phase II: Waiting on Funding...

- Academic Center:
 - Advanced Classrooms
 - Advanced Laboratories
- Student Activities Center



Repeatedly recognized nationally for excellence, GSSM advances academic achievement throughout South Carolina by offering comprehensive residential and exemplary outreach programs for students and teachers.

S.C. Governor's School for Science & Mathematics: Metrics, Benchmarks & Highlights

GSSM RESIDENTIAL PROGRAM

- GSSM has earned **Palmetto Gold** with an “**Excellent**” rating in all categories of the SC Annual School Report Card since its inception.
- Our first-ever Vex **Robotics Team won First Place in Engineering** for most innovative design and placed **Third overall in international competition** held in Atlanta
- **51%** of graduates **attend college in S.C.** About **50%** of GSSM alumni **seek careers in S.C.**, working as teachers, doctors, scientists, engineers, computer scientists, and lawyers.
- Strong academic performance is a hallmark of GSSM students. In 2005, seniors led the state again with an **average SAT score of 1389** (The SC average was 989, and the national average was 1026). Twenty-one students have been recognized by the **Advanced Placement** program with distinctions ranging from Scholars to National Scholars.
- Eleven seniors were **National Merit Finalists** in 2005, leading the state (again). Three are **National Achievement Finalists**. There are **48 Palmetto Fellows**, and all 62 seniors qualify for the **Life Scholarship** offered by the state. The Class of 2004 received over **9 million dollars** in scholarship monies.
- Our **nationally recognized mentored research program** for rising seniors, which is open to all South Carolina students and required for GSSM students, continues to establish new benchmarks. For the third consecutive year, a GSSM student, Chris Han, has been named as an **Intel Science Competition National Semifinalist**. **Five students** expect to have their research results published in prestigious **national scientific journals**. One **GSSM student** was among South Carolina's six representatives at the **Intel International Science and Engineering Fair** in Phoenix, Arizona this spring and received **fourth place in Botany**. Junior Ben Rosenberg has already distinguished himself by **performing research on laser propulsion systems in Tokyo** this summer. For the second year, a senior has received the **South Carolina GE Star Award** for academic excellence. Junior Boyd Lever earned **first place** in his division in the **Clemson BioMerit Bowl**.
- The **GSSM Math Team** continues to place strongly in the Mu Alpha Theta annual **national mathematics competition**, bringing home **Fourth Place in the nation**, this summer – **Our fifth consecutive top ten finish nationally**. This strong team took **First Place in the State** in the **American Mathematics Competition** and Senior Sebastian Zhang received recognition for the **highest score in South Carolina**. Senior Jonathan Fulton is a **National Semifinalist** in the **36th International Physics Olympiad**. Senior Holly Huitt received a **National Achievement Award in Writing** from the National Council of Teachers of English and junior **Rose Tian** is a **state winner** in the **Tribute/Discover Card Scholarship Competition** recognizing academic excellence and community service. Junior **Alison Inglis** is ranked **4th place nationally** in her division on the **National French Contest**.
- **Extracurricular activities** continue to shine. Students did a fantastic production of **Romeo and Juliet** in the fall, and the **GSSM Chorus' Spring Concert** was very well received. Three GSSM musicians won honors for Region Band. One junior won **best in state** in the 2005

Junior Classical League Art Competition. The **soccer team** finished **second in the state's Division I**, while the **tennis team** finished **4th in the state**. The **volleyball team** won the **Regional title** and the S.C. High School Sports League named Dr. Mark Godwin **Regional Coach of the Year**. Junior **Brian Brooks** placed **first** at the **state track meet** in the 1600 and 3200m relays. Senior **Jonathan Fulton** also won the **State Chess Championship**.

- **GSSM Faculty**, all holding **advanced degrees**, continue to receive significant recognition. Physics Instructor Dr. Mark Godwin was selected for a research and teaching fellowship at the prestigious **European Center for Nuclear Research** in Geneva. Mr. Randy LaCross, Director of the GSSM Center for Excellence, presented results from GSSM's Team GEAR Up program to the **National Council for Community and Educational Partnerships**. English Instructors Ike Coleman and Roy Flannagan each **published** this summer. Mr. Coleman's poetry appeared in Windhover and Dr. Flannagan's essays on Bret Easton Ellis and Mark Levner appeared in the Dictionary of Literary Biography. French Instructor, Dr. Lollie Eykyn was **one of five French teachers in S.C. to review examinations** required for state certification for new French teachers. New Mathematics Instructor, Dr. Murray Siegel, while serving as **Associate Editor of the Statistics Teachers' Network**, presented papers to scholarly conferences in Charleston, Phoenix, San Antonio, and Toronto, not to mention leading workshops for AP statistics teachers in St. Louis, MO, Dallas, TX, and Norman, OK.

GSSM CENTER FOR EXCELLENCE – STATEWIDE OUTREACH IMPROVING EDUCATION

- The **Summer Science Program** completed its **15th successful year** bringing 250 rising 9th and 10th graders from around the state together to study calculus, Java script, plant ecology, entomology, etc. The number of students **supported by scholarships** continues at nearly **30%**, thanks to generous support from the GSSM Foundation.
- **Project Gear-Up/Team Gear-Up**, a federal grant-funded program, prepares middle school students for success in high school and college. GSSM's role, providing student mentors in science labs, received **national recognition** and was extended funding for its sixth year of operation at GSSM.

II. GSSM FOUNDATION

- Our strong and active Foundation organizes the support of more than **210 businesses** from all across the state in support of **sustaining excellence at GSSM**. Donations to support program excellence increased by over \$150,000 in 2005.

II. DETAILED JUSTIFICATION FOR FY 2006-07 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: H63-SDE, GSSM, Program XII, Governor's School for Science & Mathematics (GSSM)

B. Priority No. __1__ of __3__

C. (1) Title: **Bridge Program for low SES students, Middle School Teacher Training, Robotics & Music/Art** Total: \$ 166,000 Operating

(2) Summary Description: Improve SAT Scores for high-achieving minorities, develop Bridge Program for academic and residential success at GSSM and higher education. Advance Middle School academic achievement through Professional Development for Teachers focusing on state standards in math/science. Provide bright residential students with Music/Art development through instructor.

(3) Strategic Goal/Action Plan (*if applicable*): Section C: #1, #4, #6

D. Budget Program Number and Name: Program XII, Governor's School for Science & Mathematics

E. Agency Activity Number and Name: Academic Enhancements Statewide (#813 & #815), Life in Residence Music/Art Support (#814)

F. Detailed Justification for Funding

A1. Bridge Program for low SES students with SAT/college placement support \$36,000 Operating

Provide SAT improvement and college placement support for high achieving low socio-economic status (SES) students.

Includes participation in a "Bridge" program to teach these students residential and academic skills necessary to excel in residential learning environment – whether GSSM's or at a college or university.

A2. Robotics/Engineer Course Support:

\$10,000 Operating

GSSM instituted a pilot robotics/engineering course in 2004-2005. Our first-year Vex robotics team won First Place in Engineering for most innovative design and placed Third overall in international competition held in Atlanta. Engineering and robotics are key components to developing South Carolina's Information Economy.

A3 Middle School Teacher Training:

\$60,000 Instructor (includes fringe)

Provide standards-based Professional Development for Middle School teachers focusing on low SES areas. Matches and extends \$70,000 Federal GearUP program grant awarded GSSM through CHE partnership. Provides for one instructor plus fringe. Associated operating support will be provided through existing funds.

A4. Music/Arts Instructor for GSSM Residential Program. \$60,000 Instructor (includes fringe)

Provide residential students with full-range of musical and artistic support to include: Band, Orchestra, Chorus and Visual Arts/Graphics. For over 17 years, GSSM has produced not only stellar scientists and mathematicians, but also talented musicians and artists. Each year on average, over 50% of students participate in band, chorus or other performance and arts activities. GSSM each year produces a number of All-region or all-State Band members. GSSM has never had a professional to support these talented students in the arts.

(1) Justification for Funding Increase:

A.1 Bright, motivated low SES students need support to increase SAT scores and to successfully transition to a residential campus social and learning environment. Conduct summer sessions to teach and improve skills.

A.2. Expand support for robotics and engineering curriculum and achievement (GSSM Team won 1st Place in International Engineering Robotic Competition in April, 2005!).

A3. Increase academic achievement statewide for minority middle school students in predominately low SES areas and match Federal Grant

A4. Provide GSSM's multi-talented students with music and arts instruction, enhancing Life in Residence.

(2)

FY 2006-07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					2.00
(b) Salary		92,310			\$92,310
(c) Fringe Benefits		27,690			\$27,690
Program/Case Services		46,000	70,000	30,000	\$146,000
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$166,000	\$70,000	\$30,000	\$266,000
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

Agency Recurring Base Appropriation:	Current FY 2005-2006	Projected/Requested FY 2006-2007
State	\$ 3,455,494 *	\$ 3,621,494 **
Federal	\$	\$ 70,000***
Other	\$ 746,500*	\$ 776,500****

*Per Activity Inventory Loads. ** \$150,000 is restricted for Master Lease Repayment. ***Federal GearUP Grant

**** Estimate on Grant/Foundation Funds

(4) Is this priority associated with a Capital Budget Priority? No If so, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs: The state's brightest and most motivated students require quality teachers. GSSM requires faculty to have a minimum of Masters degree in field of instruction.

(1) Justification for New FTEs

(a) Justification: Match Federal Grant & Support Math/Science in Middle School – Provide Music/Arts Education.

(b) Future Impact on Operating Expenses or Facility Requirements: GSSM faculty salary is based on Darlington County Schools (DSC) Scale, adjusted for additional contract days (202 instead of 190). Salary will increase each year per DCS scale.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Middle School Outreach Instructor (Masters Degree plus 11 years experience projected)					
(a) Number of FTEs					1.00
(b) Salary	\$46,155				\$46,155
(c) Fringe Benefits (30% est.)	\$13,845				\$13,845

	State	Federal	Earmarked	Restricted	Total
Position Title: Music/Arts Instructor (Masters Degree plus 11 years experience projected)					
(a) Number of FTEs					1.00
(b) Salary	\$46,155				\$46,155
(c) Fringe Benefits 30% est.	\$13,845				\$13,845

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State ___32.92___
Federal ___
Other ___2___

Agency-wide Vacant FTEs as of July 31, 2005: ___3___*
% Vacant ___9___%

*GSSM will fill two vacant positions (created to help address previous budget cuts) by January 2006.

H. Other Comments:

II. DETAILED JUSTIFICATION FOR FY 2006-07 OPERATING BUDGET PRIORITIES – Continued...

A. Agency Section/Code/Name: H63-SDE, GSSM, Program XII, Governor's School for Science & Mathematics (GSSM)

B. Priority No. __2_ of __3_

C. (1) Title: **Enhance Statewide Admissions support, growth planning (curriculum, recruiting, campus).**
Complete Campus Phase II, Outfit Phase II facilities, transition to increase student body.

(2) Summary Description: Improve Statewide Admissions support, growth planning (curriculum, recruiting, campus)

In Phase II of our Master Campus plan, GSSM will build and outfit advanced classrooms, laboratories and a Student Activity Center (Gymnasium & Presentation Spaces). Completion of Phase II facilities will allow GSSM to more than double its residential student body (current student body = 128) and faculty/staff will also increase.

GSSM has developed a multi-year timeline for growth to help coordinate a smooth transition and maintain quality of GSSM programs.

GSSM will transition to its new campus and expand programs (residential and statewide outreach) along the following schedule:

<u>FY & School Year</u>	<u># Residential Students</u>	<u>Milestone Projected</u>
2003-2004	128	Successfully completed and moved into Phase I of New Campus,
2006-2007	128	Phase II Construction & Outfit Funding Authorized (June '06): Finalize Plans & Authorizations, Bid Plans, Begin Construction (Dec. '06) Expand Admission Recruitment Efforts – middle schools
2007-2008	128	Construction Continues
2008-2009	128	Complete Construction of Phase II (Jan '09), Master Campus Plan, Partial Operating Increase, FFE Purchases, First Transition FTE's Recruit Increased Junior Class
2009-2010	196	Stage 1 Growth: Expand Residential & Outreach Programs
2010-2011	256	Stage 2 Growth
2011-2012	Move toward 300	Stage 3 Growth: Move to Maximum Capacity

To efficiently complete this growth requires expanded detail planning, purchasing, recruitment of students and staff and all attendant support services. With the opening of Phase I in August 2003, GSSM successfully learned first-hand the details required in bringing new facilities on-line and properly outfitting them. In addition, growth requires a different set of tasks focusing on Admission recruitment of students and Human Resource Management functions necessary to recruit and install new staff.

(3) Strategic Goal/Action Plan (if applicable). Section C: #2, #3, #4 & #5.

D. Budget Program Number and Name: Program XII, Governor's School for Science & Mathematics

E. Agency Activity # and Name: Academics Advancement Statewide (#813), Life in Residence (814) & Statewide Outreach (#815)

F. Detailed Justification for Funding

For School Expansion: Final Planning and Implementation:

- | | |
|--|--------------------|
| 1) Admissions Growth, Curriculum, Faculty/Staffing & Technology | \$30,000 Operating |
| 2) Special Projects Coordinator to handle increases in new building contracts,
purchasing specifications and bid processing, Human Resource planning and tracking | \$38,000 (1 FTE) |

(1) Justification for Funding Increase:

Activities needed for growth transition:

- Increased student recruitment (Admissions Support) two years before growth in class size
- Enhance Information Sessions & Tracking of Grades 7, 8 & 9 – Middle School Awareness
 - Expand Statewide Information Sessions, Open Houses, Communications
 - Excite middle school students in Science/Math education and opportunities at their home school and through GSSM Outreach and Residential Programs (Summer Science Programs, Mentored Research, GearUP, etc.)
- Develop and maintain expanded database for follow-up contacts
- Expand contacts with counselors and gifted & talented coordinators
- Detail technology, Furniture fixtures and Equipment
 - Faculty & staff to research and develop specifications for outfitting laboratories, activity areas
 - Staff to research and develop specifications for technology infrastructure: detail specifications
 - Faculty/Staff to attend meetings to develop qualified prospects for new faculty recruitment
 - Staff to develop database(s) to track and manage above functions
- Develop and check construction options & purchasing options, prepare and maintain timeline database(s) for construction, purchasing and recruitment. Obtain all bids and prepare paperwork necessary for maintaining state purchasing requirements. Coordinate personnel expansion functions to include placement of advertisements, prospect management to include database(s), correspondence, scheduling of recruitment meetings and interviews, plus follow-up. Coordinate and track special project proposals to include FFE, campus upgrades, staffing and community notifications of construction activities.

(2)

FY 2006-07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					1.00
(b) Salary		\$30,000			\$30,000
(c) Fringe Benefits		\$8,000			\$8,000
Program/Case Services		30,000		\$96,000	\$126,000
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$68,000		\$96,000	\$164,000
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

Agency Recurring Base Appropriation:

State

Current FY 2005-2006

\$ 3,455,494 *

Projected/Requested FY 2006-2007

\$ 3,523,494**

Federal

\$

\$

Other

\$ 746,500

\$ 842,500 ***

*Per Activity Inventory Loads. ** \$150,000 is restricted for Master Lease Repayment. ***Estimate on Grant/Foundation Funds

(4) Is this priority associated with a Capital Budget Priority? Yes If so, state Capital Budget Priority Number and Project Name: GSSM Hartsville Campus – 9502 AC.

G. Detailed Justification for FTEs: To effectively expand facilities, students and staff and to meet requirements of purchasing and personnel regulations requires somebody to develop, coordinate, create proper paperwork and maintain tracking in these critical areas.

(a) Justification for New FTEs

- GSSM operates efficiently with very few clerical support positions. We will continue this achievement through growth. However, the requirement to maintain excellence while expanding the campus and student body imposes a responsibility to plan properly and correctly follow state regulations and procedures. This requires additional support.

-Develop and check construction options & purchasing options, prepare and maintain timeline database(s) for construction, purchasing and recruitment. Obtain all bids and prepare paperwork necessary for maintaining state purchasing requirements. Coordinate personnel expansion functions to include placement of advertisements, prospect management to include database(s), correspondence, scheduling of recruitment meetings and interviews, plus follow-up. Coordinate and track special project proposals to include FFE, campus upgrades, staffing and community notifications of construction activities.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist II – Growth Support, Purchasing and Personnel					
(a) Number of FTEs					1.00
(b) Salary	\$29,231				\$29,231
(c) Fringe Benefits (30% est.)	\$ 8,769				\$ 8,769

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State 32.92 Total (0 currently dedicated to expansion support)

Federal

Other 2

Agency-wide Vacant FTEs as of July 31, 2005: 3 *

% Vacant 9 %

*GSSM will fill two vacant positions (created by previous budget cuts) by January 2006.

H. Other Comments: GSSM operates efficiently with very few clerical support positions. We will continue this achievement through growth. However, the requirement to maintain excellence while expanding the campus and student body imposes a responsibility to plan properly and correctly follow state regulations and procedures. This requires additional support.

II. DETAILED JUSTIFICATION FOR FY 2006-07 OPERATING BUDGET PRIORITIES – Continued...Priority #2

- A. Agency Section/Code/Name: H63-SDE, GSSM, Program XII, Governor's School for Science & Mathematics (GSSM)
- B. Priority No. 3 of 3
- C. (1) Title: **Offset heating & cooling energy cost increases and other operating cost inflation - Fuel Costs** – Predicting the future?
 (2) Summary Description: Maintain program quality by providing for inflation expenses.
 (3) Strategic Goal/Action Plan (*if applicable*): *Section C: #1, #2 & #3*
- D. Budget Program Number and Name: Program XII, Governor's School for Science & Mathematics
- E. Agency Activity Number and Name: Academic Excellence (#813), Life in Residence (#814), Statewide Outreach (#815)
- F. Detailed Justification for Funding: Inflation, driven by extreme increases in energy costs, is predicted by the Bureau of Labor Statistics to grow through 2005-2006 and beyond. This inflation reduces the buying power of each dollar allocated. GSSM is committed to spending money efficiently and seeks a base amount of buying power to plan and maintain excellence. Both the Producer's Price Index (PPI) and Wholesale Price Index (WPI) through July 2005, as reported by the U.S. Bureau of Labor Statistics, indicate annual inflation for the 2005 fiscal year of 4.2% and 4.1% respectively. Energy inflation is even more extreme, with overall estimates ranging from 10% to 16%, primarily for natural gas but also increases in electricity.

(1) Justification for Funding Increase:

GSSM: Operating Base Inflation Estimates:		Net Inflation Factor	Total Projected
Utilities	\$ 347,000	11%	\$ 38,170
Campus Operating (Meals/Security/Cleaning/Maintenance)	\$ 674,128	2%	\$ 13,483
Dept. Budgeting	\$ 378,715	4%	\$ 15,149
Subtotal	\$ 1,399,843		
Less Student Fees Increase (propose 4% for Board review)	\$ (128,000)	4%	(\$5,120)
Total Inflation Base	\$ 1,271,843		\$ 61,681

- 1) Utility Inflation is most severe at estimated 11%, weighted by our usage. Dept. of Energy estimate for natural gas increase is 16-25%. GSSM's campus uses natural gas for heating, year-round HVAC humidity control and heating potable water.
- 2) Campus Operating inflation estimate is less severe with several fixed-services contracts reducing inflation exposure
- 3) Dept. Budgeting is tied most closely to PPI, CPI and WPI projections at 4.2% & 2.9% & 4.1% respectively.
- 4) Higher Education Price Index (HEPI) was 4.6% in 2004, expected to be significantly higher in 2005.

Operating Budget Priority #2: Continued....

(2)

FY 2006-07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					
(b) Salary					
(c) Fringe Benefits					
Program/Case Services					
Pass-Through Funds					\$ 0
Other Operating Expenses		\$61,681	-	\$5,120***	\$66,801
Total	\$ 0	\$61,681	\$0	\$5,120	\$66,801
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

Agency Recurring Base Appropriation:	Current FY 2005-2006	Projected/Requested FY 2006-2007
State	\$ 3,455,494 *	\$ 3,517,175**
Federal	\$	\$
Other	\$ 746,500	\$ 751,620***

*Per Activity Inventory Loads. ** \$150,000 is restricted for Master Lease Repayment. ***Proposal for Increase in Student Fee by 4%

(4) Is this priority associated with a Capital Budget Priority? No If so, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs: None required for this Priority (#2).

(b) Justification for New FTEs - No FTE's requested for this Priority

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					
(b) Salary					
(c) Fringe Benefits (30% est.)					

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					
(b) Salary					
(c) Fringe Benefits 30% est.					

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State ___32.92___

Federal ___

Other ___

Agency-wide Vacant FTEs as of July 31, 2005: ___

% Vacant ___%

H. Other Comments:

II. DETAILED JUSTIFICATION IV. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES 2005-2006

Overview of Capital Budget Priorities

Priority 1: Completion of GSSM’s New Campus Construction, Phase II.	\$ 13,178,693
Priority 2: Completion of Outfitting of Master Campus (Furniture, Technology)	<u>\$ 2,600,000</u>
Total Capital Needs:	\$15,778,693

GSSM, in planning and implementation, has designed a state-of-the-art integrated residential and outreach master campus. The new campus will also serve as a year-round educational conference center for advanced teacher training and student programs. However, because full funding was not provided, we have split our design into two separate, but connected phases.

Phase I opened in August of 2003. This 144,000 square foot facility provides the dormitory, dining, support areas, faculty/staff offices, counseling, distance learning laboratories and counseling spaces required of a first-rate residential and outreach institution. Expansion of the residential program is delayed until Phase II is finished and additional operating funding is available.

Because Phase II has not been built, GSSM has moved to a temporary “self-contained” model in Phase One: converting additional temporary space for academics. “Self-containment” allows almost all of our classes to be held within Phase One on an interim basis. Under this plan, all but two chemistry labs and athletics can be accommodated. Compared to leasing academic space or mobile classrooms/labs, “Self-containment” provides minimal disruption to the student schedule and supports better safety through less travel between Coker and GSSM campuses. Opening Phase I of the new campus has also saved money compared leased facilities where annual inflation increases based on the Higher Education Price Index applied. However, the space developed for temporary occupancy precludes growth in the number of students served.

In addition, GSSM’s lease on critical chemistry laboratories at a nearby college expires in 2005-2006. While striving to negotiate an extension for an additional three years while waiting on Phase II completion, lease costs for these laboratories will certainly be higher.

Phase II is the critical missing piece: the Science Academic Center and Student Activity Center. The Academic Center provides 44,000 square feet of advanced science laboratories, computer/engineering labs, digital resource rooms and classrooms that can both receive and be up-fitted to deliver distance learning courses statewide.

The Student Activity Center provides the necessary athletic and physical education space required at a residential campus. In addition to gymnasium activities, its Student Activity Center also provides space for research presentations, conferences and indoor science experimentation.

Crucial fact: each additional year of delay in funding Phase II adds significant costs and diminishes GSSM efficiencies.

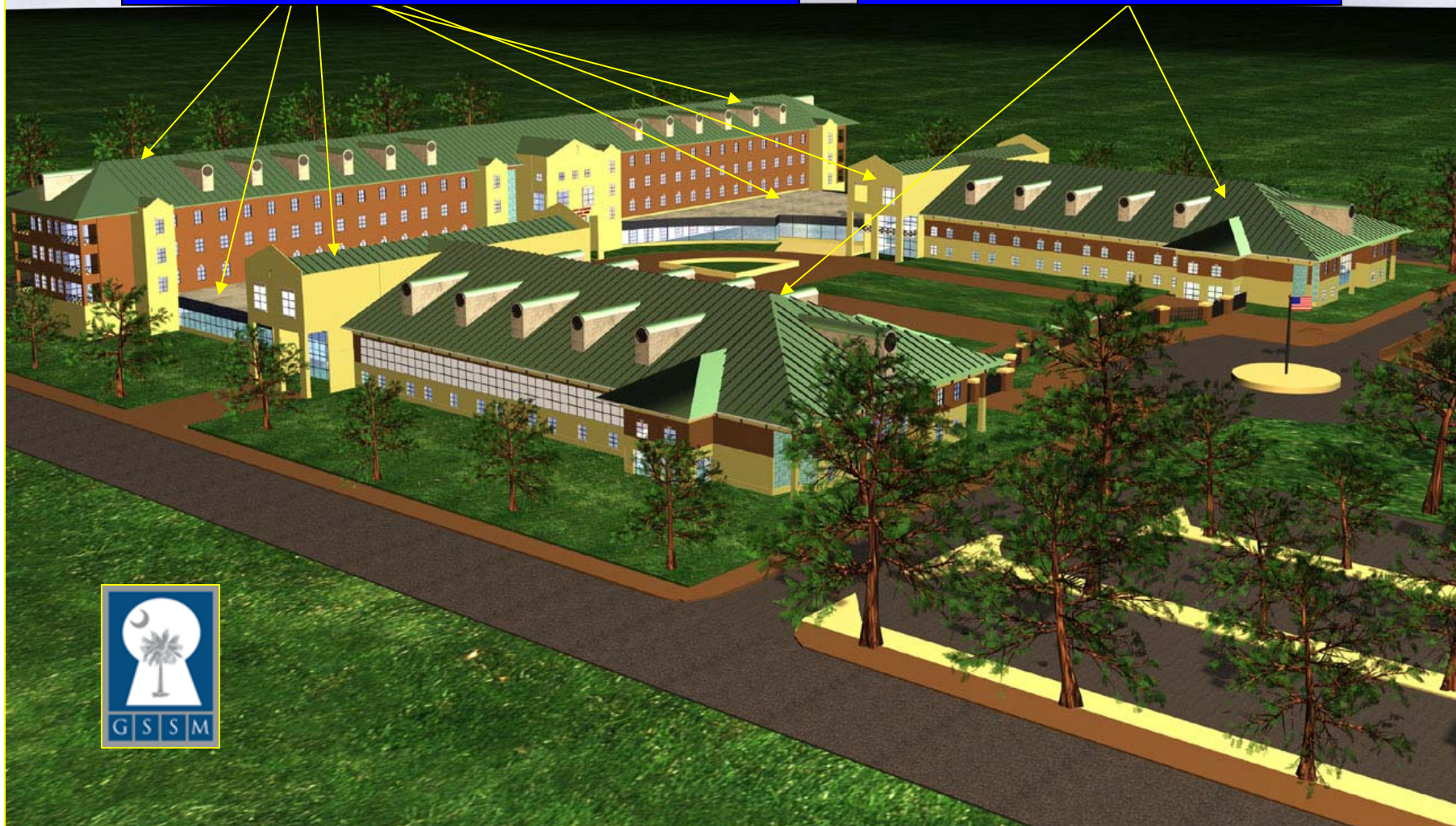
South Carolina Governor's School for Science & Mathematics: Master Campus Plan

Phase I: Opened in August 2003

- Residential Space for up to 300 Students
- Dining Facilities
- Counseling, Arts, Student Support Facilities
- Faculty and Support Staff Offices

Phase II: Waiting on Funding...

- Academic Center:
 - Advanced Classrooms
 - Advanced Laboratories
- Student Activities Center



Phase II Cost Projection/Adjusted

Rev. C August 16, 2005 Architect's recommendation on construction inflation.

Breaking-up construction of Master Campus into two phases and funding delays have created additional complications and added costs:

- GSSM Programs cannot expand or fully utilize current facilities until Phase II is complete
- A&E expenses for two sets of options, plans and reviews. Phase II must now be redrawn to meet 2003 building code
- Construction inflation of over \$3,200,000 due to multi-year delays
- Best estimates for construction and materials cost increases range from 10% to 18% over next 12 months. Steel prices are up 23%
- Additional delays increase costs
- System Integration issues (chiller and systems hook-up options) add to costs
- Living in Phase I identified program changes for Phase II to better support Life in Residence and engineering activities

Adjusted Cost Estimate for Completing GSSM Campus

Phase II Buildings	Sq. Ft	MoselyWilkins Wood, Architects: 2002 Estimate	Projection Adjusted for Inflation - Lst Year's Budget Request 2005	Added Costs due to breaking Master Plan into Two Phases: Bring to 2003 Code	Facility Changes to support arts, presentations and engineering	Baseline 2005 Construction Estimate (2 yrs. Of inflation @ 12.5%)	Construction Inflation for delay in Bidding past July, 2006	Anticipated Costs - Bidding after July, 2006	FFE Increased at 4% rate. First Increase Since Proposed	Total Needed
Academic Center	43,846	\$6,078,962	\$7,693,686	400,000		\$8,093,686	12.50%	\$ 9,105,397		
Student Activity Center	18,885	\$2,307,720	\$2,920,708	200,000	\$500,000	\$3,620,708	12.50%	\$ 4,073,297		
	62,731	\$8,386,682	\$10,614,394	\$600,000	\$500,000	\$11,714,394		\$ 13,178,693	\$2,600,000	\$ 15,778,693

Section IV

A. Agency Section/Code/Name: Governor's School for Science & Mathematics (GSSM), H63, SDE, Program XII, 9502-AC

B. Priority No. **Capital #1** (of 1)

C. Strategic Goal/Action Plan (*if applicable*): Accountability Report Section C, 1, 2 3 and 5.

D. Project Name and Number (*if applicable*): GSSM New Campus 9502-AC, Phase II Construction

E. Description of Priority: Fund second and final phase of GSSM's new campus construction, plus furniture, fixtures, equipment and technology. Phase II consists of Advanced Science Academic Center (science laboratories, classrooms, technology/outreach spaces) and Student Activity Center (gymnasium, meeting space necessary for residential campus). Over 62,000 sq. ft. necessary to support GSSM's current programs and expansion, accommodating up to 300 residential participants and year-round educational outreach support.

GSSM will transition to its new campus and expand programs (residential and statewide outreach) along the following schedule:

<u>FY & School Year</u>	<u># Residential Students</u>	<u>Milestone Projected</u>
2003-2004	128	Successfully completed and moved into Phase I of New Campus,
2006-2007	128	Phase II Construction & Outfit Funding Authorized (June '06): Finalize Plans & Authorizations, Bid Plans, Begin Construction (Dec. '06) Expand Admission Recruitment Efforts – middle schools
2007-2008	128	Construction Continues
2008-2009	128	Complete Construction of Phase II (Jan '09), Master Campus Plan, Partial Operating Increase, FFE Purchases, First Transition FTE's Recruit Increased Junior Class
2009-2010	196	Stage 1 Growth: Expand Residential & Outreach Programs
20010-2011	256	Stage 2 Growth
2011-2012	Move toward 300	Stage 3 Growth: Move to Maximum Capacity

F. Detailed Justification for Funding: Completes “Master Plan” allowing GSSM to fully utilize new campus and expand programs. Each year’s delay in the project has resulted in increased costs - with School construction in the southeast continuing at a record level, construction inflation adds greatly to the cost. In addition, without expansion, the state does not achieve economy-of-scale savings in areas such as food service, utility charges, staffing and security.

Total Project Cost Capital & FFE Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost	\$15,778,693	\$20,199,000		\$35,977,693

Section F. Justification for Funding:

GSSM opened Phase I of our new campus in August 2003 - dormitories, dining, offices and temporary teaching space. What’s missing is Phase II - the science labs, classrooms and student activity buildings necessary to our curriculum and residential model.

Constructing and outfitting Phase II is necessary in order to have a fully functioning campus and to fulfill GSSM’s mission to serve as a center of academic excellence for South Carolina. Previous leased facilities were inadequate in both space and quality. Completing GSSM’s “Master” campus allows a professional transition to program expansion.

GSSM’s new campus provides the brightest and most motivated students in South Carolina the facilities necessary to succeed at our challenging curriculum. It also provides Outreach opportunities for teachers and students and conference facilities for thousands to improve their academics.

In addition, GSSM’s current lease on critical chemistry laboratories at a nearby college expires in 2005-2006. While striving to negotiate an extension for an additional three years while waiting on Phase II completion, lease costs for these laboratories will certainly be higher.

This capital request is GSSM’s priority as reflected in our Comprehensive Permanent Improvement Plan (CPIP).

The longer we delay Phase II construction, the greater the cost. Previous delays have resulted in over \$3,200,000 in construction inflation alone. In addition, delay does not let us realize the full potential of our investment in GSSM’s new campus. School construction spending remains at historically high levels in the southeast. This results in construction inflation increases whenever bidding is delayed. For additional efficiencies and exemplary performance indicators, please see GSSM’s Accountability Report, Category #7: Business Results.

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections G and H (Justification for Additional Future Annual Operating Costs) below.*

G. Justification for First Year Additional Future Annual Operating Costs: Building Phase II completes GSSM's master campus plans - providing a quality environment for expanded residential and statewide outreach programs.

Will additional annual operating costs be absorbed into your existing budget? No

If not, will additional state funds be needed in the future? Yes

If state funds will not be needed in the future, explain the source(s) that will be used. General Fund Appropriations

First Fiscal Year Additional Annual Operating Costs Are Anticipated: FY 2006-2007. Will this fiscal year require a partial or full year's operating funds? Partial If a partial year's funds are required, what portion of the year does it cover? (100%)

Transition to Growth: support final construction bidding, completion of FFE detail specifications and planning processes for smooth expansion.

Please see detail justification and operating plan under Operating Priority #2 in this Budget Request.

(3)

Additional Annual Operating Cost Details 2006-2007:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs		1			1
(b) Total Personnel Costs*		\$38,000			\$38,000
(c) Furniture/Equipment					
(d) Other Operating Costs		\$30,000			\$30,000
Total		\$68,000			\$68,000

H. Justification for First Full Year Additional Future Annual Operating Costs (If Section G above represents a full year's operating funds, do not complete this section.)

- I. Other Comments: GSSM's new campus and expansion is part of a comprehensive growth plan - staged over a three-year period once complete campus funding is authorized. Additional annual cost increases are scheduled as we grow from 128 current residential students to 192, then 256 and finally, move toward maximum capacity of 300.

Summary Projections of Additional Annual Operating Costs through GSSM Expansion Stages:

Timeline		Additional Funds For Growth - Timeline: GSSM New Campus Capital and Additional Operating Needs						
		Capital/Outfitting			Operating Projections			
		One-time, Non-recurring Funds*			Recurring Funds*			Operating
FY Needed:	# of Res. Students	Construction	FFE & Technology	Non-recur Subtotal	Operating	FTE's	FTE Costs w/fringe	Totals Cumulative
FY 2006-2007	128	\$ 13,178,693	\$ 2,600,000	\$ 15,778,693	\$ 30,000	1	\$ 37,770	\$ 37,770
FY 2007-2008	128				0	0		
FY 2008-2009	128				\$ 154,102	9	\$ 552,923*	\$ 774,795
FY 2009-2010	192				\$ 760,383	16	\$ 887,115*	\$ 1,647,498
FY 2010-2011	256				\$ 760,383	7	\$ 548,421*	\$ 1,308,804
FY 2011-2012	300	0	0	0	TBD	TBD		TBD
Totals		\$ 13,178,693	\$ 2,600,000	\$ 15,778,693*	\$ 1,704,868	33	\$ 2,026,229	\$ 3,731,097

*Adjusted for Construction Inflation Through July 2006

*In 2005 Dollars

Detail on Furniture Fixtures, Equipment and Technology within requested Bond Bill

Description of Priority: Complete GSSM's new campus Master Plan: Provide Furniture, Fixtures, Equipment, Technology and Transportation to support GSSM's advanced academic programs, both residential and outreach. Total cost projections for this area are \$3,400,000. This request represents the balance following \$900,000 in direct Master Lease FFE purchases, adjusted 4% for inflation increases.

Therefore, the balance requested for FFE is \$2,600,000.

FF&E includes outfitting leading-edge science laboratories in Chemistry, Physics and Biology. Also included are Computer Science Instruction and Foreign Language Laboratories. Plus, all classrooms are capable of receiving Distance Learning content. Transportation requirements (mini-buses, one large activity bus) are also scheduled. In addition, complete Residence Hall Furniture and office furniture must be obtained as well as physical fitness equipment for the Student Activity Center. Digital Computer networks must also be purchased and installed including servers, routers, fiber-optic backbone equipment and actual computers.

GSSM will transition to its new campus and expand programs (residential and statewide outreach) along the following schedule:

<u>FY & School Year</u>	<u># Residential Students</u>	<u>Milestone Projected</u>
2003-2004	128	Successfully completed and moved into Phase I of New Campus,
2006-2007	128	Phase II Construction & Outfit Funding Authorized (June '06): Finalize Plans & Authorizations, Bid Plans, Begin Construction (Dec. '06) Expand Admission Recruitment Efforts – middle schools
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2009-2010	196	Stage 1 Growth: Expand Residential & Outreach Programs
2010-2011	256	Stage 2 Growth
2011-2012	Move toward 300	Stage 3 Growth: Move to Maximum Capacity

V. PROVISOS

No proviso changes requested.

Attachment A): Utility Bills Projection Article THE STATE NEWSPAPER

Posted on
Thu, Aug.
18, 2005

Gas prices expected to stay high; utilities say heating costs also likely to rise

By H. JOSEF HEBERT

The Associated Press – Posted August 18, 2005

PRICE OF COMFORT

WASHINGTON — After a summer of soaring gasoline costs, people should not expect cooler weather in autumn to end their energy woes. Prices at the gas pump probably will stay high, and record heating bills in the winter are almost certain to follow.

The Energy Department predicts that heating costs for homes using natural gas or fuel oil could be 16 percent to 25 percent higher than last year. That estimate came before the latest price spike in crude oil and natural gas.

Already, drivers are reeling from gasoline prices that are approaching \$3 a gallon in some areas and averaging \$2.55 a gallon nationwide. Prices are expected to ease after Labor Day, but not by much, analysts predict, as crude oil prices remain above \$60 a barrel.

Utilities are warning customers that their bills will be high this winter, says Chris McGill of the American Gas Association, which represents the natural gas retailers.

Wholesale prices for natural gas have soared along with crude oil and gasoline.

The Energy Information Administration estimates that natural gas could cost more than \$10 per thousand cubic feet by January, about 30 percent more it did this summer.

The increase to consumers is usually less because the actual gas accounts for about half of a typical bill, and the other half usually remains pretty constant, according to the retailer's group. Utilities also have bought gas at the lower price this summer and are storing it.

A little more than half of U.S. homes use natural gas for heating; the heaviest concentration is in the Midwest.

